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BILL



ANALYSIS

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Senate Bill 313 (Substitute S-1 as reported)
Sponsor: Senator Dave Robertson
Committee: Local Government and Elections

CONTENT

The bill would amend the Housing Law to do the following:

- Provide that the Law would apply to each city, village, and township with a population of at least 10,000; and that the Law's provisions regarding private and two-family dwellings would not apply to any city, village, or township with a population of less than 100,000 unless the applicable legislative body adopted them by resolution.
- Allow an enforcing agency to charge the owner of a dwelling subject to regulation a maximum fee of \$100 to register the premises with the agency; and prohibit the agency from changing a new registration fee until there was a change in ownership.
- Revise provisions regarding the frequency of inspections of a multiple dwelling or rooming house.
- Revise inspection fees; and prohibit an enforcing agency from charging both a per-leasehold fee and a per-multiple-dwelling building fee for inspecting a given building, or charging an additional fee for a first reinspection.
- Require an inspector to inform a lessee of his or her right to refuse an inspection, in addition to requesting and receiving the lessee's permission, before entering the leasehold.
- Require an owner to notify an enforcing agency that requested an inspection within 60 days after a lessee vacated the leasehold, rather than 10 days as currently required.
- Provide that, if an occupant refused entry in an emergency or upon presentment of a warrant, the Law's prohibition against discrimination by an owner against an occupant on the basis of the occupant's request, permission for, or refusal of entry, would not apply.

Except as otherwise provided, the Law establishes a maximum period of four years between inspections of multiple dwellings and rooming houses. Under the bill, the period between inspections would have to be at least six years and could not exceed 10 years. A local unit could provide by ordinance for a maximum period between inspections of up to 10 years, rather than six years as allowed currently, if the most recent inspection found no violation and the building had not changed ownership during that time.

Currently, an enforcing agency's inspection fee may not exceed the actual, reasonable cost of providing an inspection. Under the bill, if less than the actual cost, the maximum fee would be \$40 per leasehold, if individual leaseholds or individual leaseholds and interior common areas were inspected, or \$75 per multiple dwelling building, if only interior common areas and/or exterior features were inspected.

MCL 125.401 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate effect on local unit revenue that would vary by location, and would potentially reduce local unit expenses by an unknown amount. The proposed registration fee would increase local unit revenue, and the actual amount of the increase would depend on how many properties were affected and how often a transfer of ownership occurred. The bill's provisions regarding inspection fees would likely reduce local unit revenue, depending on the actual costs of inspections.

The bill also would lengthen the minimum time between inspections. As a result, local units would likely be required to make fewer inspections than under current law, thus lowering expenses. To the extent that fewer inspections occurred, the bill also would reduce inspection fee revenue by an unknown amount.

Date Completed: 10-4-13

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.